

Notice No.: 99-006

Date: August 23, 1999

Applies to: School District Employers

Subject: House Bill 1761 and New Information Regarding Working after Retirement

This Notice addresses two issues. First, it provides additional information regarding House Bill 1761 (HB 1761) that contains new rules regarding working after retirement. It also provides information specifically concerning Teachers' Retirement System (TRS) Plan 1 retirees who return to work, and how to report their employment to the Department of Retirement Systems (DRS).

Background

Prior to July 25, 1999, a Teachers' Retirement System (TRS) Plan 1 retiree could work up to 525 hours for a public educational institution without a reduction of pension benefits. A "Public educational institution" is defined as a school district, the state school for the deaf, the state school for the blind, educational service districts, institutions of higher education or community colleges.

After 525 hours were completed, retirees working as on-call substitutes or substitute administrators could work an additional 105 hours for a school district, if the district had filed a board resolution with DRS regarding substitute or administrator shortages. Refer to WACs 415-112-540 and 415-112-545 for additional information. A TRS Plan 1 retiree can work unlimited hours during each fiscal year for any organization that is not a public educational institution.

New rules regarding employment after retirement

Effective July 25, 1999, HB 1761 amends the Revised Code of Washington (RCW) 41.32.570 and WAC 415-112-545 by extending the number of additional hours TRS Plan 1 retirees, employed by school districts, can work in certain positions.

After 525 hours, the following applies:

- **Substitute teachers** are defined as classroom teachers serving on an on-call basis. Substitute teachers can work an additional 315 hours, for a total of 840 hours each fiscal year, if they are employed by a school district that has filed the appropriate resolution with DRS.
- **Substitute principals** can work an additional 315 hours, for a total of 840 hours each fiscal year, if their school district files the appropriate resolution with DRS.
- **Substitute administrators** are still limited to an additional 105 hours, for a total of 630 hours each fiscal year, if their school district files the appropriate resolution with DRS.

Below are the positions that are considered administrators and are limited to an additional 105 hours, according to WAC 415-112-545:

- Assistant or vice principal;
- Superintendent and assistant superintendent;
- Personnel manager;
- Business manager; and
- School librarian.

For use in drafting your own resolutions, we have enclosed three examples with clear language and format. Resolutions are due each applicable year and apply only on a prospective basis (resolutions are not retroactive).

A retiree on a contract

A person working under a contract with a guaranteed number of hours or days does not qualify as a substitute teacher. You may refer to RCW 41.32.010 (36) for more information.

A retiree's benefit will be suspended if the retiree is contracted and works beyond 525 hours. A contract may be either verbal or written, as long as the person is regularly employed. For example, a long-term substitute filling in for a person on maternity leave is subject to the 525-hour limit, even if there is no written contract. A retiree, who works as a substitute and a coach, or any non-administrative job with a contract, cannot exceed 525 hours without affecting the retiree's monthly benefit.

An exception to this rule applies if your district board has filed a resolution due to a shortage of administrators. A substitute administrator may have a contract and work the additional time beyond 525 hours.

New form for TRS Plan 1 retirees

Per RCW 41.50.139 (refer to DRS Notice 97-002), employers are responsible for reporting all retirees they employ to DRS. While the *Retiree Returning to Work Report* is currently used to report retirees of all systems and plans, we have developed a new form for TRS Plan 1 retirees,

titled *TRS Plan 1 Retiree Returning to Work Report*. This revision is due to the uniqueness of the TRS Plan 1 retiree reporting requirements and based on suggestions from employers and staff during the past two years.

Employers should use this form to report all new TRS Plan 1 retirees hired as of July 1999. The position status columns now indicate “On-Call” and “Contracted” rather than “Eligible” and “Ineligible.”

To complete the form:

- Report the end date only when the member terminates. We cannot process future end dates.
- Submit the official form. Employers can recreate the form, but it must resemble the official form.
- Fill out the form completely, including the position status information. DRS will return incomplete forms to employers.

Please call Employer Support Services at (360) 664-7200 or our toll free line, 1-800-547-6657, if you have questions about completing this form.

Transition of position status to on-call

All TRS Plan 1 retirees currently working for you are identified as working on-call as of July 1, 1999. We made this change electronically to save employers and staff the time of creating new records. On July 8, 1999, we mailed a cover letter, with a report titled *TRS 1 Re-Employed Retirees*, listing all the TRS Plan 1 retirees you employ. This list was based upon previously reported information. Please use the report to send end dates, if applicable, or to update the position status from “On-Call” to “Contracted.” You should select “Contracted” only if it applies to the 1999—2000 school year.

Forms will be mailed quarterly

We will send employers a form every three months for any TRS Plan 1 retiree who is working for you and another employer. The form will request you supply the hours worked for each of the three months in question and return the information to us. We will use this information to monitor whether a retiree reaches the maximum hour threshold.

Beginning in July 1999, when employers notify us that a TRS Plan 1 retiree has returned to work, we will mail a letter to the retiree. This letter will remind the retiree of the limitations to post retirement employment.

Questions?

If you have questions regarding the information in this Notice, please contact Employer Support Services at (360) 664-7200 or call our toll free line, 1-800-547-6657.

Dave Nelsen
Manager, Employer Support Services

1999 DRS Notices

For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or
access on the DRS Web site at <http://www.wa.gov/DRS/employer>.

Notice No.	Applies to/ Subject Matter
99-001	PERS, LEOFF, WSPRS and JRS Employers Members' Annual Statements and Sequencing Information
99-002	All Employers DRS is Moving to a New Location in January
99-003	All Employers Contribution Rate Changes
99-004	All Employers Summary of Legislation
99-005	Future SERS Employers Member Address Update
99-006	School District Employers House Bill 1761 and New Information Regarding Working after Retirement